

**SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT No. 2**

Board of Commissioners  
Special Meeting for Budget Education  
Wednesday, Sept 6, 2017

**Attendance:**

Present: Albert Berger, Christa Campbell, Iris Graville, Jim Orcutt, Becky Presley

Others: Debra Wiggs, Interim Superintendent, Steve Farber, CPA and Kelsey Bedient, CPA Larson Gross CPAs.

**CALL TO ORDER:** Board President Campbell called the meeting to order at 2:00 pm.

**PUBLIC COMMENT:**

**Dwight Lewis:** Comments regarding the financing of CWMA

**Roy Robinson:** Comments regarding the purpose of the PHD and a document was presented (see attached)

**Verna Walker:** Comments regarding the scope of tax revenue use

**George LeBoutillier:** Comments regarding the financing strategy for the district and renegotiating the UW clinical service agreement

**SUPERINTENDENT COMMENTS:** Supt. Wiggs presented her perspective on the intention of this education session, reminding the commission that by the bylaws, it is the role of the superintendent to create and present a budget each year, to propose funding strategies, revenue management and a timeline for review. However due to the newness of the district, she is including the commission in the development of the first-year budget process and informing the commission of the cashflow challenges facing the district due to the assumption of expense obligations prior to the acquisition of tax revenue in May 2018. There was no accommodation made at the inception of the district to accommodate these expenses prior to May 2018 and therefore the district will be bearing a deficit burden for the next several years.

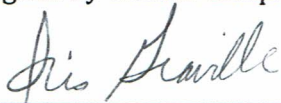
**EDUCATION:** Steve Farber and Kelsey Bedient, presented the 2018-2022 cashflow projections for the district based on current known obligations and projected 2018 budget. The cashflow demonstrated the district deficit in 2017 due to the start up of the district and subsidy obligations for the UW Medicine clinical service agreement with no tax revenue until May 2018. With the current funds currently secured through a loan from CWMA, San Juan County and Islanders bank advance against taxes, the district will require additional funds to cover expenses including debt repayment and subsidy obligations beginning in February 2018.

This information will continue to be used to approach funding opportunities for deficit management from Islanders bank or other financial vehicles.

A request was made that Ms. Bedient create an easier to read (public friendly) view of the cashflow assumptions through 2022 for use at the public budget hearing with scenarios that include impact of forgiveness of CWMA loan and physical therapy subsidies. No actions were taken and the commission expressed appreciation to Steve and Kelsey for providing the information.

**ADJOURNMENT:** Meeting adjourned at 3:30 pm.

Signed by Christa Campbell, Chairperson



Attest: Iris Graville, District Secretary

## *PHD Purpose*

*"It is our purpose to limit the tax obligation imposed upon the property owners of Lopez Island to the original purpose of the LIPHD to maintain the viability of the Lopez Island Clinic and that alone. We believe that subsidizing other Medical Private Practices is a violation of trust of the taxpayers and lends itself open to requests from further tertiary medical organizations for funding."*

*Suggested by Lopez Citizens Group*